

For Greece, participatory budgeting may be a solution to the tension between austerity and democracy.

by Blog Admin

Many commentators have become increasingly concerned that the imposition of harsh austerity measures in countries such as Greece have undermined democracy. Using evidence from Brazil and Germany, [Marian Schreier](#) argues that introducing participatory budgeting would be a way to increase the transparency of austerity and help to initiate a nation-wide conversation about Greece's future.



In its mission statement the Global Commission on Elections, Democracy and Security [points out](#) that while elections are vital to democracy, on their own they are not sufficient. According to, "Deepening Democracy", a recent report, elections also need integrity. They are right. But elections are insufficient in at least another respect too. Democracy is not limited to casting a ballot once every four or five years; the nature of democratic government also manifests itself in the period between elections. This is best exemplified by the current sovereign debt crisis in the eurozone.

Since the beginnings of the eurozone crisis in early 2010, the trade-off between austerity and democracy has become obvious. Emblematic of this development is the call for a referendum on the latest European bailout by the then Greek Prime Minister Georgios Papandreou in November 2011. The referendum, which never took place after fierce French and German opposition, posed the question of how to reconcile austerity measures with democratic legitimacy? Recently, the Guardian even [argued](#) that the last two years "pushed Greece's entire democracy to the brink of collapse." One does not need to go as far as the Guardian to share the growing sentiment of many residents and political observers who see the world's oldest democracy undermined by austerity policies. Is there a solution the European Union's austerity vs democracy conundrum?

A possible way forward is participatory budgeting and other measures of participatory democracy. The idea of participatory budgeting was first developed in Porto Alegre, a city in the South of Brazil with a population of more than 1.5 million. In essence, citizens are invited to contribute to the budget-writing process. In Porto Alegre the municipal government organises two rounds of assemblies in each district to collect feedback on five thematic areas ranging from transport to social welfare to taxation. Every assembly comes up with a list of priorities, which are put forward to the city's budget council. They decide where to allocate the funding. If the council rejects one or more of the recommendations, it has to justify its decision publicly.



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Admittedly, the Greek case is different. Where to spend money is not the problem; — it's where to make cuts. Nonetheless, increasing citizen participation in the budget-writing process is a viable option. Ironically, Greece could draw upon the experience of German debt-ridden municipalities and cities. In North Rhine-Westphalia, the most populous state of Germany, nearly half of the municipalities are highly

indebted. Hence, a sizeable number of local authorities successfully applied participatory budgeting to develop a strategy for reducing the public debt.

How participatory budgeting could be implemented in Greece

First of all, it needs to be as inclusive and accessible as possible. The participation opportunity should be promoted via television, newspapers and a one-stop-shop web page. As a second step, the national government should publish a list of the planned top 50 budgetary policies. Eventually, the respective regional councils should organise regional conferences in all thirteen Greek regions except those which populations exceeding 500,000 people (e.g. Attika or Central Macedonia). For these cases conferences can be held at the sub-regional level to ensure widespread participation.

The aim of the conferences is two-fold: one the one hand, citizens should prioritise and comment on the government's list of budget policies. One the other hand, every regional conference should come up with a set of its own recommendations. After the first round of regional conferences, the outcome can be presented to the budget committee of the Greek parliament, which can then hold an initial debate on the citizens' recommendations. In a possible second round, members of parliament could present their opinions on the recommendations to the regional conferences. The regional conferences should adopt revised lists. In the end, the parliament will vote on the budgetary policies and report back to the regional conferences.

Numerous arguments underline the potential of participatory budgeting in Greece. First of all, it makes deficit reduction more transparent and initiates a nation-wide inclusive conversation on the future of Greece. Secondly, the increased transparency reduces the power of special interests — like the too powerful Greek ship owners — and boosts public accountability. This can help stamp out corruption.

Most importantly, though, all of this would enhance the legitimacy of the tough austerity policy, quelling, one would hope, the social uproar in Greece. Indeed, it is possible that participatory budgeting would strengthen Greek democracy and help to restore the trust of the Greek people.

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Note: This article gives the views of the author, and not the position of EUROPPE – European Politics and Policy, nor of the London School of Economics.

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